

Initial considerations when procuring software

What do you want to buy?

The key factor in all of your procurement issues will be around what the issue, problem or requirement the software is going to address.

- *Does it fulfil a business critical function? Consider what the consequences would be if there was significant downtime or functionality was lost.*
- *Does it need to integrate with, or work alongside, existing databases or other systems? What happens if those systems change?*
- *Is this part of a wider project, and if so will your requirements change as part of that project?*
- *Do you see yourself as being bound to one supplier, or would you want to be able to develop and maintain the software in-house, or with a different supplier? For more information, see our [note on Escrow: A customer perspective](#).*

Consider also what type of solution you want to acquire. Will the software be:

- *Hosted on your own premises?*
- *Hosted by your supplier?*
- *Hosted by a separate hosting provider engaged by you?*

The location of the software can affect its uptime and accessibility for updates, as well as the level of control you exercise over the software and any databases held in it. Your approach to hosting will depend on what functions the software is carrying out, and the guarantees that your supplier can provide.

You'll also need to consider what level of customisation will be needed, for more information, see our [note on the ways of buying software: off-shelf, bespoke or customised](#).

If your new solution is being developed for you, consider what software development methodology best suits you. Our [Guide to Software Development Projects: The Customer Perspective](#) should help you to decide.

Your requirements

Listing out the functional requirements that the software should fulfil is a vital first step in the procurement process. It helps ensure that your supplier understands your needs, and gives you a basic specification to refer back to.

If you already have a system in place, you can build on the existing functionality provided by that system, including the improvements or fixes you're looking to achieve through this project.

You may also want to ask your supplier for help with this process, as they may be able to provide a list of basic functionality which they provide as standard and/or carry out a gap analysis between your current system's functionality and what is required to bring the system up to the functionality you ultimately require from it.

As well as the basic operations of the system, you should consider the wider issues which will be relevant, for instance:

- Cross-compatibility with other systems
- Searchability (this may be particularly relevant if the software will hold significant volumes of personal data)
- Scalability (how many simultaneous users and records will the system have?)
- Availability and uptime

Don't just compare a new solution with your current process, compare it with the market. How does the proposed solution compare with currently available alternatives?

What timescale do you have for go-live? Will you have to compromise on, or delay, functionality? Consider how you will manage and drive the procurement process, see our page on [managing the procurement process](#) for tips.

What level of support do you anticipate requiring? For more information, see our notes on [support and maintenance](#) and [performance management and SLAs](#).

Budget

Think through all of your potential costs, these can include:

- Termination costs for your existing system
- Initial build/customisation/configuration fees
- Training fees
- Licence fees – will these be use-based or at a flat rate (for more information, see our page on [licence models](#)).
- Support fees
- Legal spend

Future considerations

Your new solution needs to be adaptable. Consider what changes you would have to make if:

- Your other systems change
- You move locations or split across multiple locations
- Your staff grows, or needs to work from home
- The market changes

These impact not only your specification and support requirements, but also influence the length of contract you might be prepared to commit to.

Finally

Plans may change over the course of the project, but clearly scoping your requirements and expectations at the beginning, and articulating these to your supplier, should make the whole process much smoother.

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